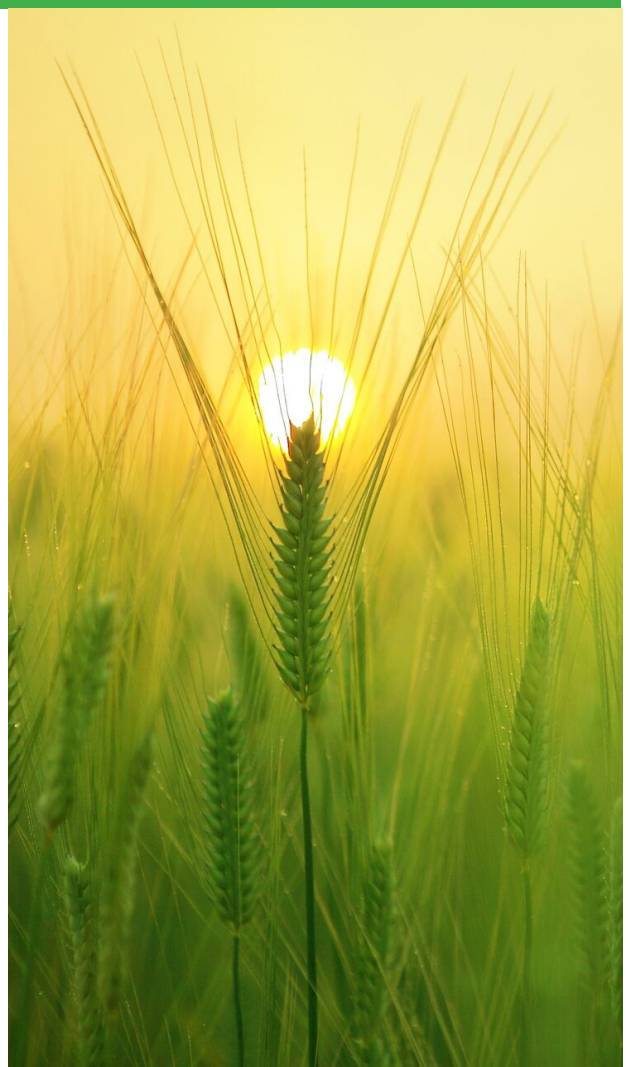
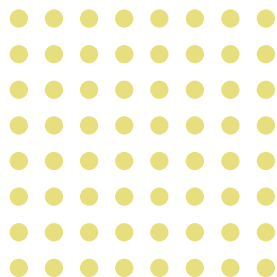




# Agricultural Industry Trust Status Report 2022 SURVEY

This report was compiled by the National Agricultural Marketing Council. The following persons wrote the report:

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The NAMC appreciates and acknowledges the efforts of Trust administrators, Agricultural Commodity Associations, Chief Executive Officers, Financial and Transformation Officers in preparing to release the status report of Agricultural Trusts.

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## ACRONYMS

|        |   |
|--------|---|
| ARC    | - Agricultural Research Council                               |
| CA     | - Citrus Academy  |
| CIT    | - Citrus Industry Trust                                       |
| CGA    | - Citrus Growers' Association                                 |
| DALRRD | - Department of Agriculture Land Reform and Rural Development |
| GFADA  | - Grain Farmer Development Association                        |
| MET    | - Mohair Empowerment Trust                                    |
| MIT    | - Meat Industry Trust   |
| MSc    | - Master of Science   |
| NAMC   | - National Agricultural Marketing Council                     |
| NLT    | - National Lucerne Trust                                      |
| OPDT   | - Oil and Protein Seeds Development Trust                     |
| PhD    | - Doctor of Philosophy  |
| PSA    | - Potatoes South Africa                                       |
| SA     | - South Africa  |



# SECTION ONE: THE ACTIVITIES OF THE NATIONAL AGRICULTURAL MARKETING COUNCIL WITH REGARD TO AGRICULTURAL INDUSTRY TRUSTS

## 1.1 Background

**Section 1** presents the activities performed by the NAMC under the Agricultural Industry Trusts Division for the reporting period on the coordination between the Minister and the agricultural industry trusts. The Minister, Mrs A.T. Didiza, was informed about a number of things, including the appointment of ministerial trustees (recommendations, with the Minister appointing them), the coordination of engagements between the Minister and the agricultural industry trusts (to obtain first-hand information about progress and to engage the trusts directly), and the submission of the Status Report (to inform the Minister of the progress) on the work of the agricultural industry trusts. The following subsections provide more information on each of these activities.

## 1.2 Engagement between the NAMC and agricultural industry trusts

On 9 March 2023, the National Agricultural Marketing Council (NAMC) held its first face-to-face annual Trusts workshop at Southern Sun Hotel (O.R. Tambo International Airport) since the start of the global pandemic in 2020. Various key role players, including departmental representatives, attended the workshop to discuss the successes and challenges related to the work of the agricultural industry trusts. All agricultural industry trusts were represented and made their presentations. Most of the industry asset value had increased, and the growth in trust assets was attributed to the recovery of investment markets from COVID-19's initial impact. During the discussion, it became evident that partnership and collaboration among the trusts were critical to improving their operations. Furthermore, it was noted that trusts linked through by-products, such

as grains and lucerne, were feeders to the livestock industry and need to collaborate. It was shared that the wool industry was re-organising its institutional setup for transformation – taking the lesson from the mohair industry to establish empowerment trusts.

## 1.3 Appointment of ministerial trustees

The Trust Deeds give the Minister authority to appoint/replace ministerial trustees when the term of office lapses or if a trustee resigns. Ms H. Makhuvha was appointed as the ministerial trustee on the board of Citrus Industry Trust following Dr H. Ngwenya's resignation. The vacancies in the Deciduous Fruit Industry Development Trust have been filled by Mr J. Mthombeni, Dr Erna Blancquaert, Ms Natasha Boks and Mr Elton Mitchel Greeve. Mr H. Mohane's term expired in the Sorghum Trust, and Ms T. Moagi was elected to replace him. Ms U. Speirs and Mr K. Gaoraelwe stepped down from the Oil and Protein Seeds Development Trust (OPSDT) and were replaced by Mr S. Shandu and Ms D. Makgatho-Mosehla. Furthermore, the Wool Trust appointed Ms Linda Makuleni as a ministerial trustee.

The Minister re-appointed Mr T. Mongoato to the Winter Cereals Trust. After the end of the term of Ms M.E. Mabe, Dr ST Xaba, Ms BD Fakudze, Mr LS Mabombo, Dr TJ Tsilo, and Dr MP Bopape-Mabapa were appointed by the Minister to serve on the board of the Winter Cereals Trust. It should be noted that all ministerial trustees for the Winter Cereals Trust were registered with the Master of the High Court.

After all appointments, the NAMC organised a thorough induction for the newly appointed



ministerial trustees to prepare them for their responsibilities after the Minister's appointment. The NAMC induction focused primarily on the NAMC's role in relation to industry trusts and the governance of these trusts so that trustees would be aware of the responsibilities they bear with respect to trusts on which they represent the Minister. The problem with delays in ministerial submission approval is becoming more efficient than before. However, there are still conflicts of interest among stakeholders and difficulties with the registration of ministerial trustees with the Master Court.



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## SECTION TWO: GENERAL TRUSTS INFORMATION AND BACKGROUND

### 2.1 Introduction

The following section provides information on the trusts' governance, including its administrative structure and the board of trustees. There are currently 82 trustees; 56 representing the industry and 26 representing the Minister. A significant development is the increase in female ministerial trustees' appointments throughout the years. Table 1 below shows the general information, administration and board members of each trust and the industry board representation.

**Table1:** Representation within the boards of the industry trust

| Trust category | Name of the Trust and administrator                           | Administrator      | Trust age (years) | Board of Trustees   |
|----------------|---|--------------------|-------------------|---|
| Horticulture   | Citrus Industry Trust<br>Fruit South Africa                   | Ms F. Ratshitanga  | 24                | <b>Ministerial representative/s:</b> Dr. H. Lefophane, Ms. F. Thovhogi, and Ms. H. Makhuvha<br><b>Industry representatives:</b> Mr.J.Brand, Mr. P. Dempsey and, Mr. M.Makhanya.                                       |
|                | Deciduous Fruit Industry<br>Development Trust<br>HORTGRO      | Ms K. Bezuidenhout | 24                | <b>Ministerial representative:</b> Mr N Dicey (Chairperson), Ms L Visagie and Mr L van Zyl  |
|                | Potato Industry<br>Development Trust<br>Potatoes South Africa | Mr H. Oberholzer   | 20                | <b>Industry representatives:</b> Dr. B.J. Pieterse (Chairperson),Mr W. M. Fourie, Mr. D.H van Zyl, Mr G.F. Bester<br><b>Ministerial Representative:</b> Ms N Maceba   |
| Field crops    | Maize Trust<br>L&L Agricultural<br>Services                   | Ms. B . de Witt    | 25                | <b>Ministerial Representatives:</b> Mr Z. Ngejane (Chairperson), , Mr S.G. Mafuleka, Mr M.K. Thamaga,<br><b>Industry Representatives:</b> Mr B.C. Schoonwinkel (Vice-Chairperson), Mr DJ Mathews Mr J.De Wet Boshoff, |

|            |   |                                 |    |  |
|------------|---|---------------------------------|----|--|
|            | Sorghum Trust L&L Agricultural Services,            | Ms B. de Witt                   | 26 | <b>Industry Representatives :</b> Mr. W. J. Groothof (Chairperson), Mr. D. Beets (Vice Chairperson), Mr. De Wet J. Boshoff, Mr. R.E. Pholo,<br><b>Ministerial Representatives:</b> Ms. T. Moagi  |
|            | Oil and Protein Seeds Development Trust, Mr G. Keun | Mr G. Keun                      | 26 | <b>Industry Representative :</b> Mr A. Moosa (Chairperson), Mr J. de Wet Boshoff (Vice-Chairperson), Ms J. Tselentis, Mr R. Monaisa, Mr R. Küsel, Mr D. Schutte,<br><b>Ministerial Representatives:</b> Mr S Shandu, Mrs D.R Mosehla   |
|            | Winter Cereals Trust                                | None – as there are challenges  | 26 | <b>Ministerial Representatives :</b> Mr. TV Mongaoto (Acting Chair-person), Dr. ST Xaba, Ms. BD Fakudze, Mr. LS Mabombo, Dr. TJ Tsilo, Dr. MP Bopape-Mabapa,<br><b>Industry Representatives :</b> Dr JF de Villiers, Mr. B Mokgatle, Mr C Binnion , Mr. RP Krige, Mr. WJ Lemmer, Ms JM van der Merwe |
|            | National Lucerne Trust                              | Mr. F. Ruppig                   | 27 | <b>Industry representatives:</b> Mr. D.E.Malan (Chairperson), Mr. Josephus Johannes Antonie Potgieter, Mr R.Roselt, Mr. H.B Megaw, Mr. A. Beyers and Mr. G Ivan<br><b>Ministerial Representatives:</b> Mr. Clovis Solomon Bhiya,   |
| Live-stock | Meat Industry Trust Red Meat Levy Admin (Pty) Ltd   | Ms C. Viviers and Taimlin Swart | 28 | <b>Industry Representatives:</b> Mr D. Olivier (Chairperson), Mr W. Clack, Dr F. Nherera-Chokuda,<br><b>Ministerial Representative:</b> Dr Z. Majokweni, Ms U. Speirs and Ms S. Sekhoto.   |
|            | Mohair Trust Mohair South Africa                    | Mr M. Coetzee                   | 29 | <b>Industry representatives:</b> Mr R. Kirsten (Chairperson), Mr C. Hobson, Mr S. Fani, Mr A. Greeff, Mr G. Hope, Mr J. Oellofse, Mr D. Nel, Mr I. Staats; Mr M. Shires; Mr D. Short; Mr C. Kemp and<br><b>Ministerial Representatives:</b> Dr N. Hadi.  |
|            | Wool Trust  | Mr A. van de Venter             | 26 | <b>Industry representatives:</b> Mr H.A. van Schalkwyk (Chairperson). Mr A.R. Kidson; Dr A. Moore; Mr L.I. Maduna, Mr R.A. Kirsten, , and Mr I.G. Whittal<br><b>Ministerial Representatives:</b> Dr L. Makuleni  |

# LEVY ADMINISTRATORS



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## SECTION THREE: FINANCIAL INFORMATION

The mandate of agricultural industry trusts is to safeguard the trust assets and fund the proceeds of the industry. Performance of the trust assets is highlighted in this section.

### 3. Trusts' asset bases for the 2020/2021 and 2021/2022 financial years

On trust assets, the asset value performance for 2021/22 showed an increase of about **R47.8 million** from **R2.44 billion** in the previous financial year to R2.48 billion in the reporting period. International markets have been volatile for two years. This growth was achieved through all the geopolitical turmoil, the Russia-Ukraine war and natural disasters in KZN. The Mohair Trust and Wool Trust saw the most significant growth increasing by R21 million and R21 million, respectively. The Meat Industry Trust's assets declined by R4 282 396 in the reporting period. **Table 1** provides an overview of the changes in asset value for each trust. The value of the Winter Cereals Trust has remained unchanged due to operational challenges it faced during the reporting period. **Table 2** shows that the Maize Trust remains the biggest trust and the National Lucerne Trust the smallest.

**Table 2:** Trusts' asset bases for the 2020/2021 and 2021/2022 financial years

| TRUST NAME                                 | 2020/2021(000)   | 2021/2022 (000) | CHANGE (R'000) |
|--|------------------|-----------------|----------------|
| Citrus Industry Trust                      | R16 066          | R17 631         | R1 566         |
| Deciduous Fruit Industry Development Trust | R18 999          | R20 654         | R1 655         |
| Maize Trust                                | R1 061 365       | R1 062 492      | R1 126         |
| Meat Industry Trust                        | R58 830          | R54 547         | -R4 282        |
| Mohair Trust                               | R279 607         | R301 379        | R21 773        |
| National Lucerne Trust                     | R1 867           | R1 966          | R100           |
| Oil and Protein Seeds Development Trust    | R343 754         | R345 482        | R1 728         |
| Potato Industry Development Trust          | R27 860          | R29 722         | R1 863         |
| Sorghum Trust                              | R23 052          | R24 421         | R1 369         |
| Winter Cereals Trust                       | R47 192          | R47 192         | R0             |
| Wool Trust                                 | R561 589         | R582 514        | R20 925        |
| <b>Total</b>                               | <b>2 440 180</b> | <b>R2 488</b>   | <b>R47 823</b> |

**Source:** Trusts Balance sheets and own calculations (2023)

### 3.1. The outlook on the Trust assets

#### 3.1.1. Horticultural trusts

- **Citrus Industry Trust:** Allan Gray Portfolio Managers manage the trust's investments, which increased from R16.0 million in 2020/2021 to R17.6 million in 2021/2022. The increase in assets was credited to an increase in portfolio performance informed by better market conditions.
- **Deciduous Fruit Industry Development Trust:** Old Mutual manages the trust's investments, which have increased from R20.5 million in 2020/2021 to R18.9 million in 2021/2022. This growth was attributed to the performance of the investments.
- **Potato Industry Development Trust:** Mr H. Oberholzer is the manager of the trust's funds. The trust's asset value increased from R27.8 million in 2020/2021 to R29.7 million in 2021/2022. In contrast to other trusts, the Potato Industry Development Trust is structured differently, and its value is determined by the performance of the levy collection.

#### 3.1.2. Field crop trusts

- **Maize Trust:** Allan Gray, Coronation, and Ninety One are among the trust's investment managers, while Willis Towers Watson is the trust's investment advisor. Due to better market conditions and investment performance, the asset value increased from R1.61 billion in the 2020/2021 financial year to R1.62 billion in the 2021/2022 financial year, an increase of R1 126 182.
- **Oil and Protein Seeds Development Trust:** Foord, Allan Gray and Old Mutual manage trust investments. The trust asset value decreased from R345 million in the 2020/2021 financial year to R343 million in the 2021/2022 financial year, a decrease of R2 467 186. The decrease is a result of the volatility of the markets and an increase in allocations for research and transformation.

- **Sorghum Trust:** Nedbank Private manages the investments of the Sorghum Trust. The asset value of the trust increased from R23.05 million in 2021 to R24.42 million in 2022, an increase of R1.37 million. The increase was attributed to the excellent performance of investment portfolios.
- **National Lucerne Trust (NLT):** The NLT manages its finances through its internal capacity. The asset value of the trust increased from R1.87 million in the 2020/2021 financial year to R1.97 million in the 2021/2022 financial year, an increase of R100 000. The NLT asset value increase was driven by more levies received.

#### 3.1.3. Livestock trusts

- The **Meat Industry Trust's** total asset value as of this financial reporting year is R54 million, up by R4.2 million from the previous year. Old Mutual serves as the trust's investment manager. Furthermore, RMLA is responsible for bookkeeping, and Mr C. Terhoeven (CA) for the annual audit.
- **Mohair Trust:** The trust handles its bookkeeping and employs Old Mutual as its investment manager. The trust assets stand at R301 million during this reporting period, up from R279 million during the previous fiscal year, an increase of R21.8 million (8% of the trust's value).
  - **Wool Trust:** Fundhouse Investment Advisers (Pty) Ltd and Zakly Investments One (Pty) Ltd provide financial advisory services to the trust. Landman van Rensburg Accountants is the trust's accountant. The trust assets stand at R583 million, an increase of R20.9 million (or 4%). Its growth is primarily due to investment markets' rebound following COVID-19's initial effects.

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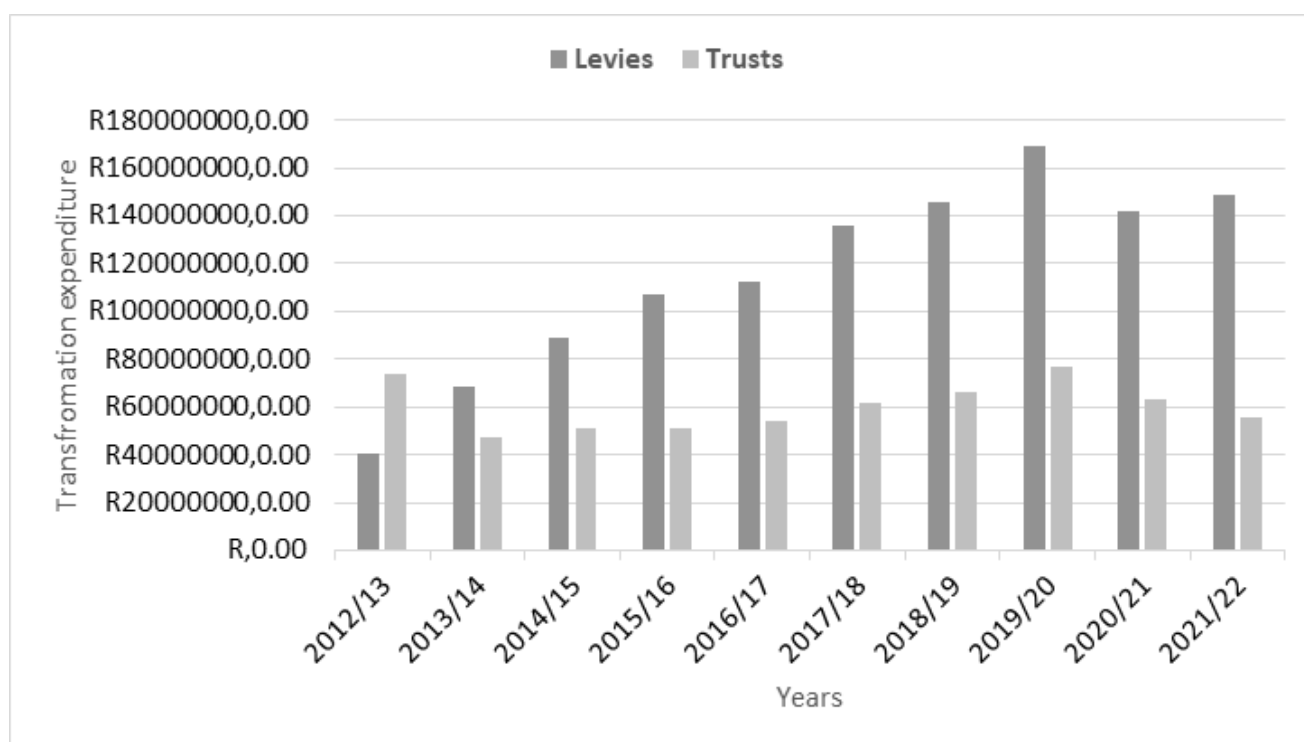


## SECTION FOUR: TRANSFORMATION INFORMATION

At present, transformation in the agricultural sector is funded by two sources: trust funds and statutory levies (derived directly from the instruments stipulated in the Marketing of Agricultural Products Act of 1996). This section will briefly illustrate some of the initiatives taken by trusts in advancing transformation. For more information, please refer to the NAMC publication on transformation, released in March 2023.

### 4.1. Summary of the transformation expenditure for the past decade

Trust and levy funds are arguably the lifeblood of South Africa's agricultural sector. The trusts fund transformation with proceeds from investments or rental income from their assets. Levies collected are subject to a 20% requirement to be spent on transformation. The NAMC's transformation guidelines have proven useful in funding sector transformation. Figure 1 shows an outlook of the trust funds and Levy income used for transformation over the past ten years. Over this period, the trusts have spent on average R60 million per year on transformation, whereas the levies have spent about R95 million.



**Figure 1:** Agricultural Trusts and levy expenditure on transformation

**Source:** Trusts information (2023)

In the current reporting period, the trusts spent approximately R55.9 million on transformation, representing a decrease of R13.54 million from the 2021/22 financial year. As of the previous year, 2020/21, the trusts allocated R63 million on transformation, down from R76.6 million the previous year. During the past two years, the trusts have reduced their transformation expenditures because of the volatility of the markets yielding lower returns than usual. In the 2021/22 financial year, about R179.2 million was spent on transformation,

an increase of R32.2 million over the 147 million spent in the 2020/21 financial year. A total of R235.1 million was spent by the trusts and levy income during the review period, an increase of 10.68% over the R210 million spent the previous year.

## 4.2. Field crops trusts.

### 4.2.1. Maize Trust funding

The Maize Trust is dedicated to funding research, market information and transformation activities in the maize industry. Although the trust does not collect levies, its transformation programme is guided by the NAMC's generic transformation guidelines. Transformation funds are granted annually to Grain SA for training, technology transfer and farmer skills development. In addition, funds are granted to the Agricultural Research Council (ARC) for technology transfer and research activities designed specifically for emerging farmers. The trust also supports an annual scholarship programme for MSc and PhD students. The aim is to promote studies in maize-related fields and build professional capacity in the South African agricultural sector. Furthermore, the Maize Trust funds several internships and a national school programme to educate students from previously disadvantaged communities about possible careers in agriculture and to teach them the value of farming. **Table 3** shows that R18 720 000 was allocated for transformation for the 2021/22 financial year.

**Table 3:** Maize Trust expenditure on transformation for 2021/22

| Activities                                  | Amount             |
|---|--------------------|
| Subsistence Farming                         | R898 000           |
| Potential Commercial Farmers and Mentorship | R8 890 413         |
| Training, study groups, offices, etc.       | R8 931 587         |
| <b>TOTAL</b>                                | <b>R18 720 000</b> |

**Source:** Maize Trust (2023)

### 4.2.2. Sorghum Trust funding

Transformation funding by the trust is granted to complimentary programmes to achieve a broad spectrum of transformation functions to create new black commercial sorghum farmers. The Sorghum Trust has budgeted R22 million for funding in the 2022/2023 year, of which 20% of the total funding is provided for Transformation. An overview of the expenditure lines of the Sorghum Trust is given in Table 4. The Sorghum Trust spent the largest portion of its budget on market information (R535 250.7), research (R354 552.30) and Enterprise Development (R273 785.56), respectively. The trust approved R1.16 million to support transformation and generic activities.

**Table 4:** Sorghum Trust activity expenditure for 2020/22

| Activities                                | Amount             |
|---|--------------------|
| Subsistence Farming                       | R898 000           |
| Potential Commercial Farmers & Mentorship | R8 890 413         |
| Training, study groups, offices, etc.     | R8 931 587         |
| <b>TOTAL</b>                              | <b>R18 720 000</b> |

**Source:** Sorghum Trust (2023)



#### 4.2.3. Oil and Protein Seeds Development Trust funding

The trust's primary focus is on research and development initiatives that benefit oilseed producers (developing and commercial) in South Africa and other stakeholders in the value chain. The focus is on sunflower, soybean, canola and groundnut. However, the trust also manages a transformation programme focusing on training, mentoring, information provision, enterprise development, community upliftment, input finance, insurance and technology transfer. The trust manages the transformation programme on a project funding basis within the requirements of the Trust Deed and NAMC's transformation guidelines, which require that at least 20% of funds raised be invested in transformation. The trust spent approximately R 15 673 358 on transformation in the 2021/22 financial year. In addition to providing direct support to farmers, the trust awards 10 MSc and PhD bursaries annually to deserving students enrolled at South African universities.

#### 4.2.4. National Lucerne Trust

The objective of the trust is to assist emerging farmers and agripreneurs to grow and develop from subsistence to commercial oriented farming systems. NLT spent R837 118 on transformation in the 2021/2022 financial year. During the period under review, the Smallholder and Agripreneur Development Project received R564 896 from the NLT. The Lucerne Hay Grading Course and the UFS Student Bursary received R107 392. Lastly, the NLT spent R 5 021 on socio-economic development. Table 5 provides a summary of the transformation projects supported by the National Lucerne Trust.

**Table 5:** Transformation projects supported by National Lucerne Trust for 2021/22

| Focus area  | Expenditure(R)  |
|---|-----------------|
| Enterprise Development<br>- Smallholder Farmer and Agripreneur Development Project      | R564 896        |
| Training and Skills Development<br>- Lucerne Hay Grading Course and UFS Student Bursary | R107 392        |
| Socio-economic Development<br>- Smallholder Farmer and Agripreneur Development Project  | R5021           |
| Other   | R159 809        |
| <b>Total</b>  | <b>R837 118</b> |

Source: NLT (2023)



### 4.3. Horticultural trusts

#### 4.3.1. Citrus Industry Trust

The beneficiaries of the Trust Fund within the citrus industry are the Citrus Academy (CA) and the Citrus Growers' Association - Grower Development Company (CGA-GDC). The focus of the CA and CGA-GDC is on skills development and enterprise development, respectively. The trust remains committed to transformation through the active participation of black designated groups in the citrus value chain. The trust spent approximately R150 000 on enterprise development during the period under review. It provided bursaries of R350 000 to some 12 students. Furthermore, the trust aims to support about 11 students in 2023. It should be noted that the CGA-GDC leverages funding from private and public partnerships to have a greater impact on enterprise development.

#### 4.3.2. Deciduous Industry Development Trust

The Trust itself is not responsible for implementing transformation. The trust receives industry-related proposals for funding, and the trustees evaluate the proposals and award funding based on their decisions. The trust funded bursaries (human capital development) in the past. However, the trust has funded a feasibility study in the Free State Province to investigate the possibility of establishing deciduous fruit farms (economic development). Once it receives funding proposals from its entities, the trust plans to invest in new transformation projects.

#### 4.3.3. Potato Industry Development Trust

Potatoes South Africa (PSA) conducts all trust activities. It is the trust's implementing agency. More than 20% is invested in transformation, guided by the NAMC's transformation guidelines. PSA supports black growers in developing successful potato farming businesses through its

Transformation Programme. By providing training on enterprise development and technical aspects of potato farming, the support ensures that farmers are adequately skilled. In the 2021/22 financial year, the trust spent about 10.6 million on transformation.

#### - Enterprise Development Programme:

Approximately R2 million was spent on enterprise development in the 2021/22 financial year, with an additional R30 million provided by the DALRRD. The enterprise development strategy is based on expanding the acreage of deserving producers. It includes holding regional meetings to disseminate information and establishing partnerships with stakeholders such as the Jobs Fund, McCain, Nulandis, NTK/VKB, Afgri and provincial government departments. The enterprise development programme has about 17 beneficiaries, creating about 150 jobs in various provinces (Kwa Zulu Natal, Limpopo and Western Cape) with an average tonnage of 50/ha.

#### - Small Grower Development Programme:

This programme is one of the socio-economic initiatives that play a crucial role in food security. Small Grower Development is a subsistence farming programme aimed at achieving food security and selling surplus crops to communities. The initiative covers 33 communities, with each project involving approximately 50 community members trained in planting and harvesting. The programme has been extended to Mpumalanga, Limpopo and Gauteng, benefitting more communities. Future initiatives will focus on the North West and Free State. A total of R268 384 was spent on this initiative.

#### - Skills development:

Newly established farmers can improve their management skills through training. PSA provided training on mechanisation, seed production, financial management, tuber moth and irrigation scheduling to 50 farmers. The Tertiary Skills Development Pipeline Programme provides bursaries to needy and academically deserving students, as well as internship and employment opportunities. The trust is currently funding 19 students from previously disadvantaged backgrounds and institutions. Twelve of them have also received AgriSeta funding. Approximately R1.5 million was spent on this initiative.

#### - Commercialization and sustainability:

A minimum of 30 ha is considered commercial by the potato industry. To date, two (2) growers have successfully commercialised. It should be noted, however, that the industry has expanded the number of farmers to an average of 15 ha. Some of these farmers are receiving a tonnage of over 60 tonnes per ha, which is equivalent to someone producing on 30 hectares with an average tonnage of 45 tonnes.

#### - Partnerships:

PSA has partnered with several institutions to facilitate the placement of funded students. Partnerships are formed with potential employers and arrangements are made to host PSA-funded interns. There are also strong partnerships with the various departments of agriculture in several provinces (KZN, LP, EC, GP, MP). These partners are crucial in mobilising the community to participate in smallholder projects. A monitoring programme is in place to ensure the success of these projects. Lastly, the trust has partnered with the following institutions to ensure the sustainability of enterprise development projects: VKB, McCain, PepsiCo and various departments of agriculture and rural development.

### 4.4. Livestock trusts

#### 4.4.1. Mohair Trust

The Mohair Empowerment Trust, a beneficiary of the Mohair Trust, is responsible for the transformation of the trust. The trust was established in 2010 to promote black economic empowerment initiatives within the Mohair sector. The Empowerment Trust aims to create large scale, sustainable black mohair producers. These producers can sustain the mohair sector by providing goats through interest-free loans, training and ongoing support. The Mohair Empowerment Trust spent R 1 246 492 on transformation implementation during the period. Most of the money was used to purchase Angora goats, mentoring and staff training (R 444 419 00).

#### 4.4.2. Wool Trust

Since the establishment of the Wool Trust in 1997, Cape Wools SA has been its sole beneficiary. The Wool Trust has appointed Cape Wools SA to carry out various tasks in accordance with the Trust Deed. The trustee determines the amount to be paid annually to Cape Wools SA. The trust provides funding for the following initiatives:

- distributing funds to research and development;
- support for the wool industry;
- direct operational costs;
- investment management fees; and
- other expenditure.

The trust's spending priorities for the last two years are shown in **Table 6** below.

**Table 6:** Wool Trust's expenditure for the 2020/2021-2021/2022 financial years.

| FINANCIAL YEAR                  | FY 2020/2021       | FY 2021/2022        | % Change      |
|---------------------------------|--------------------|---------------------|---------------|
| Distribution for R & D projects | R 1 320 155        | R 1 268 341         | -3.92%        |
| Wool Industry Funding (Note 1)  | R 21 341 369       | R 21 179 285        | -0.76%        |
| Direct operating expenses       | R 14 382 485       | R 26 484 338        | 84.14%        |
| Investment Administration fees  | R 1 670 105        | R 1 883 644         | 12.78%        |
| General expenses                | R 1 236 087        | R 1 636 918         | 32.43%        |
| <b>Total</b>                    | <b>R39 950 201</b> | <b>R 52 452 526</b> | <b>31.29%</b> |

**Note 1:** Information and statistics, wool promotion, production technology and training.

Source Wool Trust (2023)

#### 4.4.3. Meat Industry Trust

The Meat Industry Trust now only funds bursaries, and R180 000 000 was allocated for 2022. Bursaries are awarded for academic specialisations that advance South Africa's red meat industry. However, the trust is working on completing R2 million in transformational enterprise development applications.

#### 4.5. Challenges faced by the agricultural industry trusts with regard to transformation

**Maize Trust:** The Maize Trust has been successful in its transformation programme. However, challenges with the Grain Farmer Development Association (GFADA) have left a gap in the coordination of transformation projects, particularly between the different grain and oilseed industries. Efforts are being made to improve the coordination of transformation programmes. A special Transformation Review Panel has been established to recommend future transformation efforts, targets and goals.

##### **Sorghum Trust:**

The Sorghum Trust's transformation programme has been successful. However, the demise of the Grain Farmers Development Association (GFADA) has unfortunately created a gap in the coordination of transformation projects, particularly between the various grain and oilseed industries.

##### **National Lucerne Trust:**

The trust is faced with a shortage of funding.





# TRUST ADMINISTRATORS

## LIVESTOCK



## FIELD CROPS



## HORTICULTURE



Deciduous  
Fruit Industry  
Development  
Trust



For more information, contact:  
Tel: (012) 341 1115 | Email: [info@namc.co.za](mailto:info@namc.co.za)



[www.namc.co.za](http://www.namc.co.za)

## SECTION FIVE: OUTLINE OF INDUSTRY STRUCTURES

This section highlights the organisations that work directly with the trusts to fulfil their mandates. the section also provides a brief overview of the scope of work of each organisation identified.

### **Maize Trust:**

Industry bodies funded by the trust include the SA Grain Laboratory, Agricultural Research Council, Grain SA, SA Grain Institute, Bureau for Food and Agricultural Policy, University of Stellenbosch, Sandy Soils Development Committee, North-West University, NAMC, SAGRA, Cape Peninsula University, University of Pretoria and SANSOR. All trust beneficiaries report bi-annually on the progress and results of the projects funded. Beneficiaries include:

- Grain SA Farmer Development Programme: In this programme, emerging farmers are trained, mentored and developed to become self-sustaining commercial farmers.
- ARC: The objective of this programme is to focus on research and technology transfer activities that benefit emerging farmers and address their specific needs.
- Maize Trust Bursary Scheme: The scheme aims to develop capacity for highly skilled personnel within South Africa's grain industry.
- Schools Programme: The aim is to inform previously disadvantaged learners about agriculture and possible career opportunities.
- Industry beneficiaries: The objective is to improve maize quality, yield and resistance to diseases and pests, thereby maintaining the competitiveness of South African farmers in the international marketplace.



### **Sorghum Trust**

All trust beneficiaries report bi-annually on the progress and results of the projects funded. Structures and beneficiaries include:

- **ARC:** The objective of this programme is to focus on research and technology transfer activities that benefit emerging farmers and address their specific needs.
- **Sorghum Trust Scholarship Scheme:** The scheme aims to develop capacity for highly skilled personnel within South Africa's grain industry.
- **Industry beneficiaries:** The objective is to improve sorghum quality, yield and resistance to diseases and pests, thereby maintaining the competitiveness of South African farmers in the international marketplace. The Sorghum Trust does not administer statutory levies. However, its transformation programme is guided by NAMC's transformation guidelines. The trust provides annual funding to Grain SA to implement transformation activities such as training, technology transfer and farmer skills development. The Sorghum Trust also funds the Agricultural Research Council (ARC) for technology transfer and research into emerging farming practices and needs.

### **National Lucerne Trust**

There are a minimum of four [4] and a maximum of seven [7] trustees on the NLT Board, with one [1] trustee representing the Minister of Agriculture, Land Reform and Rural Development. The remaining six [6] represent specific sectors of the lucerne industry: lucerne seed producers, cleaners and merchants, lucerne hay producers, merchants, processors and smallholder farmers.

### **Oil and Protein Seeds Development Trust (OPDT)**

The structures of the OPDT Trust include the Oilseeds Advisory Committee, the SA Groundnut Forum, the Sunflower, Soybean and Soyfood Forum and the Research Priority Committee. Beneficiaries of the trust are ARC-GCI, SAGL, NAMC, WCDA, SAGIS, FABI, University of Pretoria, BFAP, Eden Social Development Foundation, University of the Free State, Grain SA, FarmSol, Stellenbosch University, Mpumalanga Department of Agriculture, Rural Development, Land and Environmental Affairs.

### **Potato Industry Development Trust (PIDT)**

Potatoes South Africa, the administrator of the trust, is the only industry structure that reports to the trust and is responsible for implementing its strategic priorities. The trust also has reporting internal committees: The Potato Industry Development Trust, the Risk and Audit Committee, the Bursary Committee, the Research and Technical Advisory Committee and the Potato Transformation Advisory Committee. The committees act as advisory bodies, informing the trust of the strategic implications and relevance of activities or projects.

### **Meat Industry Trust**

The industry has a Bursary Working Committee (BWC) which deals with bursaries for MSc and PhD students. MIT collaborates with the Red Meat Research and Development Trust, which works closely with the BWC.

### **Mohair Trust**

- The structures within the mohair industry that work with the Mohair Trust are Mohair South Africa, which is responsible for promoting the industry;
- The South African Mohair Growers Association (SAMGA), another organisation responsible for representing all mohair producers in South Africa;



- The Mohair Empowerment Trust (MET), which is responsible for the empowerment of the industry;
- The Mohair Brokers Association, which represents mohair brokers;
- The Mohair Buyers Association, representing mohair buyers;
- The Mohair Processors Association, representing the mohair processors;
- The Angora Ram Breeder's Society, representing angora goat genetics; and
- The Farmworkers Association, representing mohair farm workers.

### **Wool Trust**

As the sole beneficiary of the Wool Trust, Cape Wools South Africa (Cape Wools SA) is the only organisation that reports to the Wool Trust. Cape Wools SA is the official representative body for the South African wool industry, representing the collective interests of wool producers, buyers, processors, brokers, traders, small stockbreeders, workers and inspectors. Through their partnership with other major wool-producing nations, they promote the interests of the wool community in South Africa and abroad.







## SECTION 6: CONCLUSION

The NAMC would like to express its deep appreciation and gratitude to the Trust Administrators, Board of Trustees, Transformation Managers and Officers and other stakeholders involved in the eleven (11) industry trusts for their continued support in keeping the Minister and Portfolio Committee abreast of the transformation interventions and asset base. The NAMC commends the excellent efforts of the industry trusts to preserve their assets and ensure that investment returns are used to fund industry activities.



### **What is SMAT?**

Smallholder Market Access Tracker (SMAT) is a tool that has been developed by the NAMC, with the help of a reference group, to measure the progress in the achievement of the market access goal for smallholder farmers in South Africa.

### **Why do we need SMAT?**

Despite a number of interventions that seek to enhance market access (both locally and abroad) for farmers in the country, smallholder farmers still face barriers to entry into the mainstream marketing channels. Furthermore, there is no tool used currently to track market access for this group of farmers, hence there is a need for the SMAT tool.

### **Who is going to use SMAT?**

The SMAT seeks to provide information to assist with policy debate and the formulation of more effective programmes towards achievement of market access. As such, the SMAT could be used (largely) by policymakers.

[www.namc.co.za/about-smat](http://www.namc.co.za/about-smat)



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## **Agricultural Industry Trust questionnaire – 2022 Survey**

**To:**

**Agricultural Trusts Administrators/CEOs**

### **Status Report on Agricultural Industry Trust (2021/22)**

**For:**

**The Minister of the Department of Agriculture, Land Reform and Rural Development (DALRRD)**

#### **The rationale of the survey**

*This questionnaire is distributed to the Agricultural Industry Trusts to get the status quo in the operations of the trusts to be presented to the Minister. The Minister is mainly interested in whether the assets are increasing or decreasing (and associated reasons) and getting a clear indication of the activities funded by the trusts. More specifically, to get an idea of the individual trusts' work aimed at redressing the imbalances of the past (Transformation). For the National Agricultural Marketing Council (NAMC) to compile the "Status Report on Agricultural Trusts – 2021/22 Survey", the Trust Administrators/CEOs are requested to provide the NAMC with the following information<sup>1</sup>:*

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<sup>1</sup>The document will be shared with the trusts for input before it is finalised.

## SECTION A: TRUST BACKGROUND

- a. Who (person and company) is the administrator of the trust?
- b. Where is the location of the trust, in terms of the Local Municipality/District?
- c. How many personnel are employed by the administrator and what are the demographics of the employees (e.g., gender, age, race)?
- d. When was the trust established?
- e. Who are the current members of the Board of Trustees and what is their representation?
- f. Who is the Chairperson of the trust?
- g. What is the duration of the current serving chairperson?

## SECTION B: TRUST ASSET(S)

- a. How much is the current value of all assets?
- b. List the assets' names, locations, and values of each asset.
- c. By how much did it increase or decrease from the previous financial year?
- d. What are the reasons for the changes in the value of assets?
  - i. If there was a decrease, what measures have been implemented to address it?
  - ii. Does the change affect the trust's ability to fund its operations/activities?

**Which investment portfolio company/s is used for the trust funds?**

**Which company is doing bookkeeping for the trust?**

## SECTION C: INDUSTRY FUNDING

- a. How many industry bodies are funded by the trust and what is their role? Please list them
- b. Does the trust also implement any activities?
  - i. If yes, do these activities link smallholder farmers to the markets?
  - ii. Based on the answer above, how many smallholder farmers have been linked to the markets?

What are the areas of focus for the trust's budget?

Can you provide a budget breakdown of the activities funded by the trust or through trust funding?


Please specify the benefit (s) of the activities funded by the trust towards the entire industry. Please elaborate  
What is the impact of the work funded?

How does the trust make the funding decision (a pre-set amount or based on the budget from the beneficiary institutions)?

## SECTION D: DEED OF TRUST

- a. Please attach the latest copy of the Trust Deed.
- b. Was the Deed of Trust amended in 2021/22?



- 
- 
- i. If “Yes”, please provide details and the date of the amendments.
  - ii. If “No”, when was the last amendment made (year and date)?
  - iii. Are there any plans to amend it, or is the process already underway (if yes, how far)?
- c. Was any legal advice sought on matters pertaining to its operations during the reporting period?

#### **SECTION E: INDUSTRY STRUCTURES**

- a. How many industry structures (organisations/committees) report to the trust? Please list them
- b. What is the role of each of these structures?
- c. Does the trust experience any challenges in running its affairs regarding the Master of the High Court, the NAMC and the industry?

#### **SECTION F: TRANSFORMATION**

- a) How much has the trust spent on transformation during the reporting period?
- b) What transformation activities are currently being funded by the trust? Please include the budget breakdown per activity.
- c) How is the implementation of transformation structured within the trust?
- d) What partnerships have been formed with different organisations to implement transformation activities?
- e) What are the challenges faced by these transformation projects?
- f) Should the NAMC be doing more to support trusts with transformation? If so, how?
- g) How is the employment equity of the trust administrator?
- h) Is there any impact on the transformation funded by the trusts?
  - i. If so, what are the success stories from the transformation activities funded?
  - ii. If not, what are the possible reasons?
- i) Does the trust have transformation strategies and targets? Please provide brief details.

Date sent out: **31 October 2022** | Due date: **28 February 2023**

## Appendix 2 : Agricultural Industry Trusts contact details

| Industry Trusts                            | Contact person       | Responsibility | Email address             | Contact number    |
|--|----------------------|----------------|---------------------------|-------------------|
| Citrus Industry Trust                      | Ms F.Ratshitanga     | Administrator  | Fhumulani@fruitsa.co.za   | Tel: 012 007 1150 |
| Deciduous Fruit Industry Development Trust | Ms K Bezuidenhout    | Administrator  | karien@hortgro.co.za      | Tel: 021 870 2900 |
| Maize Trust                                | Ms B. De Witt        | Administrator  | beatrix@llagri.co.za      | Tel: 012 807 3958 |
| Meat Industry Trust                        | Ms T Swart           | Administrator  | admin@levyadmin.co.za     | Tel: 012 348 7572 |
| Mohair Trust                               | Mr M.Coetzee         | Administrator  | marco@mohair.co.za        | Tel: 041 487 1386 |
| National Lucerne Trust                     | Mr F. Ruppig         | Administrator  | fritz@lusern.org          | Tel: 082 773 4849 |
| Oil and Protein Seeds Development Trust    | Mr G. Keun           | Administrator  | gkeun@proteinresearch.net | Tel: 011 234 3400 |
| Potato Industry Development Trust          | Ms H. Greebe         | Administrator  | Hanrie@potatoes.co.za     | Tel: 012 349 1906 |
| Sorghum Trust                              | Ms B. De Witt        | Administrator  | beatrix@llagri.co.za      | Tel: 012 807 3958 |
| Wool Trust                                 | Mr A. van der Venter | Administrator  | andre@wooltrust.co.za     | Tel: 041 484 4307 |



**Contact Details:**

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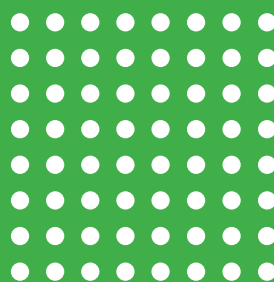
Email: [info@namc.co.za](mailto:info@namc.co.za)

Website: [www.namc.co.za](http://www.namc.co.za)



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Designed by: Sylvester Moatshe